HON'BLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION No. 13392 of 2007

Dated 26th June 2007

Between:

Putchakayala Narayana.

…Petitioner

and

The Deputy Registrar and another.

…Respondents

HON'BLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION No. 13392 of 2007

O R D E R:

The petitioner obtained loan from the second respondent to establish an industrial unit in the year 1997. He claims to have deposited a sum of Rs.1,03,025/-. No payment was made thereafter, allegedly on account of the industry having become sick. It is represented that when the petitioner requested the second respondent to sell the machinery and adjust the sale proceeds against the loan, the first respondent, before whom the impugned proceedings are initiated, issued a notice under Rule 54 of the A.P.Co-operative Societies Rules, 1964, for sale of the property, which is offered as security. The petitioner challenges the same.

Heard the learned counsel for the petitioner and the

learned Standing Counsel for the respondents.

The petitioner does not dispute the fact that he obtained loan from the second respondent about ten years ago. As of now, he is due a sum of Rs.3,73,941/-. The second respondent has awarded sufficiently and had taken recourse to the procedure prescribed under the A.P. Co-operative Societies Act, 1964 and the Rules made thereunder. This Court does not find any legal infirmity in the impugned proceedings.

Learned counsel for the petitioner submits that her client may be granted the facility of payment of the amount in instalments.

For the foregoing reasons, the writ petition is disposed of, directing that the proceedings, in pursuance of the impugned notice, shall stand stayed, on conditions that-

a) the petitioner deposits one-fourth of the amount due, within one (1) month from today and pays the balance of the amount in three equal instalments thereafter; and

b) in case, the petitioner commits default in payment of any two consecutive instalments, the stay granted by this Court shall stand

vacated and it shall be open to the respondents to proceed further.

There shall be no order as to costs.

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26.06.2007

Note: Issue operative portion of the order by wire at party's costs.

(B/o)

JSU